

DEPARTMENT OF REAL ESTATE

PO Box 187000
Sacramento, CA 95818-7000
916 227-0770



May 12, 2009

Amerifund Smart Homes Inc
Russell J. Massro, Designated Officer
2100 Foothill Blvd Suite A
La Verne, CA 91750

Re: Advance Fee Agreement

This letter will acknowledge our receipt of your advance fee agreement and accounting format on April 27, 2009.

The Department has no objection to your use of the advance fee agreement and accounting format as submitted.

This agreement replaces any other agreement previously submitted for the Department's review. Additionally, it is not to be used by other than the submitting broker or real estate corporation.

Please note that any changes to the agreement or the accounting format must be submitted to the Department for review before it is used. Any promotional materials that you may subsequently wish to use will require our prior review, as well. This includes press releases and announcements related to your advance fee activities.

This letter does not constitute, nor may you make any representation that the Department of Real Estate has endorsed or approved any aspect of your business activities.

We appreciate your cooperation during this process.

Sincerely,

Sylvia I. Yrigollen
Senior Deputy Commissioner
Advance Fee Review Section



Introduction

AmeriFund Smart Homes, Inc. helps homeowners find alternative solutions to avoid foreclosure. Are you worried because your mortgage payment is going up and you are not going to be able to afford the new payment? Have you tried to refinance, but, for whatever reason, you cannot? Do you owe more than your house is worth and cannot sell your home?

It is most helpful to all parties to get this resolved before any late payments; notice of defaults, and the like are filed against your credit report.

Getting Started

To begin, we will need you to supply documentation similar to what you provided when you got your home loan, plus a few items unique to this process. We will also need you to sign documents that will allow us to begin helping you. Please carefully review all documents and upon execution, fax to (909) 596-4135

REMEMBER: Please be completely honest and as complete as possible!



The Process

Step 1: Complete & Sign All Documents (Included in this Package)

1. **INFORMATION WORKSHEET** - Provide information about you, your property, loan & work information.
2. **FINANCIAL WORKSHEET** - Please complete this simple worksheet and list all income sources, all assets, and all expenses for the borrower and co-borrower.
3. **HARDSHIP LETTER** - Use this form to explain in detail why you are having problems making your mortgage payment, cannot sell your home or will not be able to afford your payment after interest rate adjustment.
4. **BORROWER AUTHORIZATION** - This form allows us to negotiate on your behalf with your lender.
5. **BROKER/CLIENT ADVANCE FEE AGREEMENT** - This form outlines the services that we will be providing.

Step 2: Provide all Applicable Support Documents (listed on checklist)

Step 3: Send us Requested Documentation

Step 4: Underwriter Review & Solution

Once we have received a complete package from you, we will complete a formal analysis of your situation. Once this analysis is complete, we will contact you to review your options.

Additional information and documentation may be required. This letter does not constitute a commitment or approval for assistance.



Information Worksheet

Borrower

Full Name (print): _____ Sex (M/F): _____

Aka or Maiden: _____ DL# _____ SS#: _____ - _____ - _____ DOB: _____

Address: _____ City: _____ State: _____ ZIP: _____

Cell Phone: _____ Work Phone: _____ Home Phone: _____

Email Address: _____

Employer _____ Address _____

Subject Property (if different from above):

Address: _____ City: _____ State: _____ ZIP: _____

Co-Borrower:

Full Name (print): _____ Sex (M/F): _____

Aka or Maiden: _____ DL# _____ SS#: _____ - _____ - _____ DOB: _____

Address: _____ City: _____ State: _____ ZIP: _____

Cell Phone: _____ Work Phone: _____ Home Phone: _____

Email Address: _____

Employer _____ Address _____

Subject Property (if different from above):

Address: _____ City: _____ State: _____ ZIP: _____

AmeriFund Smart Homes, Inc. Associate



Required Forms and Documents Checklist

Carefully read and check all items listed below verifying that you understand and will provide AmeriFund Smart Homes, Inc. with the information requested within two days from ____ / ____ / ____

Needed	Required Documents and Forms
	A completed and signed hardship letter
	A recent copy of all monthly mortgage statements
	A copy of your two most current tax returns with W-2's and two consecutive pay stubs
	If self employed, a copy of your business tax returns for the last two years and current P&L
	A copy of your most recent social security award letter and / or pension award letter
	A copy of two most recent bank statements – all accounts and all pages
	A copy of all rental agreements (if applicable)
	A copy of all household bills (electric, gas, water, child care, insurance, cable etc...)
	A copy of your current drivers license or state identification card

Signed copies of all required forms and documents to include the following:

- ✓ **Checklist (this form)**
- ✓ **Information Worksheet**
- ✓ **Hardship Letter**
- ✓ **Financial Worksheet**
- ✓ **Borrower's Authorization**
- ✓ **Advance Fee Agreement**



EXPENSES WORKSHEET

	Monthly	Payment	Total Balance Due	Mo. Remaining
1	1st Mortgage	\$	\$	\$
2	2nd Mortgage or Equity Line	\$	\$	\$
3	Other Mortgage / Rent	\$	\$	\$
4	Property Tax	\$	\$	\$
5	Homeowners Insurance	\$	\$	\$
6	HOA Fees	\$	\$	\$
7	Utilities (gas, water, electricity etc.)	\$	\$	\$
8	Cable TV	\$	\$	\$
9	Cell Phone & Telephone	\$	\$	\$
12	Car Payment	\$	\$	\$
14	Car Insurance	\$	\$	\$
15	Gasoline	\$	\$	\$
16	Car Expenses	\$	\$	\$
17	Credit Cards	\$	\$	\$
18	Spending Money	\$	\$	\$
19	Clothing & Dry Cleaning	\$	\$	\$
20	Dependent Care	\$	\$	\$
21	Child Support	\$	\$	\$
22	Alimony	\$	\$	\$
23	School Tuition	\$	\$	\$
24	Child Care	\$	\$	\$
25	Medical Insurance	\$	\$	\$
26	Medical Expenses	\$	\$	\$
27	Life Insurance	\$	\$	\$
28	Food	\$	\$	\$
29	Entertainment	\$	\$	\$
30	Vacations	\$	\$	\$
31	Other Loans	\$	\$	\$
32	Charity / Church	\$	\$	\$
33	Misc Expenses	\$	\$	\$
Total Monthly Expenses >>>		\$		



INCOME WORKSHEET

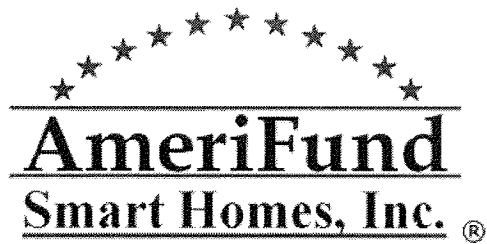
	Monthly	Borrower	Co-Borrower	Total
1	Net Income	\$	\$	\$
2	Overtime	\$	\$	\$
3	Commission	\$	\$	\$
4	Bonuses	\$	\$	\$
5	Rent	\$	\$	\$
6	Family Support	\$	\$	\$
7	Alimony/Child Support	\$	\$	\$
8	Disability	\$	\$	\$
9	Other Income	\$	\$	\$
	Total Income >>>	\$	\$	\$

Total Monthly Expenses >>>	\$	Net Income >>>	\$
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Discretionary Income >>>	\$
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ASSET WORKSHEET

	Asset	Balance / Value	Amount Owed	Net Value
1	Checking Accounts	\$	\$	\$
2	Savings Accounts	\$	\$	\$
3	Cash	\$	\$	\$
4	Certificates of Deposits (CD's)	\$	\$	\$
5	Stocks / Bonds / Mutual Funds	\$	\$	\$
6	IRA / 401K / Retirement Accounts	\$	\$	\$
7	Primary Home Value	\$	\$	\$
8	Other Real Estate	\$	\$	\$
9	Automobile(s)	\$	\$	\$
10	Cash Value of Life Insurance	\$	\$	\$
11	Personal Property	\$	\$	\$
12	Other Assets	\$	\$	\$
			Net Assets >>>	\$



Borrower's Authorization

Be it known that I/We, the undersigned, am the individual(s) and by submitting this form hereby grant permission to **AmeriFund Smart Homes, Inc.** as my agent. I/We authorize **AmeriFund Smart Homes, Inc.** to obtain and verify any and all mortgage loan information. This is to include, and is not limited to payoff, arrearage, reinstatement amounts, work out offers, rate and term modification, principal balance modification, short sale initiation and proceedings, deed in lieu or foreclosure. Any and all information obtained and/or shared on our behalf is to be used for the purpose of facilitating the expedient and timely resolution of our mortgage distress.

I understand that I can contact my lender directly,
But I/We have chosen to have AmeriFund Smart Homes, Inc. help negotiate new terms on my behalf.

X _____ X _____
Borrower (Full Name) Social Security No.

X _____ X _____ X _____ X _____
Street Address City State Zip

X _____ X _____
Day Phone Evening Phone

X _____ / ____ / ____ X _____ / ____ / ____
Borrowers' Signature Date Borrowers' Signature Date

AUTHORIZATION TO REPRESENT

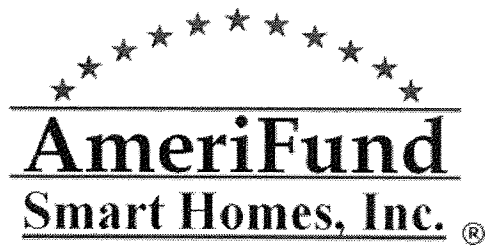
X _____ X _____
1st TD Loan No.

X _____ X _____
2nd TD Loan No.

X _____
Subject Property

Dear Sir or Madam;
I/We have authorized this agent of AmeriFund Smart Homes, Inc.:

AmeriFund Smart Homes, Inc.
Loan Modifications
2100 Foothill Blvd., Suite "A"
La Verne, CA 91750



Hardship Letter Guide

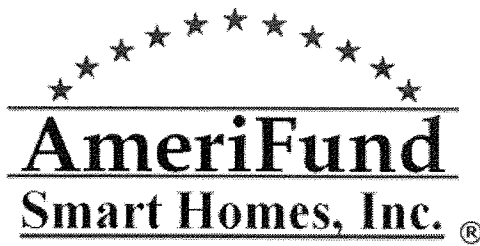
One of the items we have asked you for is a hardship letter. A hardship letter is a written explanation describing the "event(s)" which has/have caused your mortgage difficulties and it is vital in helping you achieve a loan modification and/or workout. This letter acts much like an outline documenting the current "life" issues that are affecting your ability to meet your financial obligations. Please keep it short and to the point, usually a half to one full page is more than enough to get your point across.

It is imperative that you use **DETAILED** information in your hardship letter. With any "event(s)" that you discuss, you must include dates, dollar amounts, etc.

Here is an example list of hardships that lenders consider during the loan workout process:

- Adjustable Rate Mortgage Reset- Payment Shock.
- Illness
- Loss of Job
- Reduced Income
- Failed Business
- Job Relocation
- Death of Spouse or Co-Borrower
- Death
- Incarceration
- Divorce
- Marital Separation
- Military Duty
- Reduced Income
- Medical Bills
- Damage to Property (natural disaster or unnatural)
- Other (Please Specify)

The hardship letter is an important part of the loan modification and loan workout process. **Make sure you make it unique to your situation and include all of the details of the events.** Remember that your hardship letter is only one piece of the loan workout process, but key in helping you **loan modification and/or workout.**



Explanation of Financial Hardship Letter

Borrower Name: _____ Date: _____

Co-Borrower Name: _____ Date: _____

1st Loan # _____ 2nd Loan # _____

Explain hardship: (Please answer the questions below)

What Event(s) Have Caused Your Financial Hardship?

What is the Term of Your Hardship (When did it begin and has it ended)?

What actions have you taken thus far to resolve your financial situation? (e.g.; obtained additional employment, reduced optional monthly expense such as cable, internet service, etc.)

Other comments:

I declare that the information provided above is truthful and accurate.

Borrower Signature

Date

Co-Borrower Signature

Date



The Broker agrees to only disburse the advance fee to fund specified services for the principal's benefit. The services to be performed by the Broker shall consist of the following:

- (A) Due diligence analysis of Client/Lender relationship including review of any and all correspondence to and from existing lender, existing note, existing deed, hardship letter, and the Income-Expense-Asset Worksheet;

Broker agrees to the following completion date: _____
(15 days or less from contract date)

- (B) Package file and submit with borrower's authorization to lender for renegotiation;

Broker agrees to the following completion date: _____
(30 days or less from contract date)

- (C) Negotiation with lender and updates to file (if any) as requested by lender; and

Broker agrees to the following completion date: _____
(45 days or less from contract date)

- (D) Finalization of loan modification negotiations, short sale, or other remedy, and/or similar service. (If a short sale, services include negotiating listing price with lender, listing agreement with Realtor, and other Realtor related services).

Broker agrees to the following completion date: _____
(90 days or less from contract date)

The advance fee shall be apportioned and disbursed as follows:

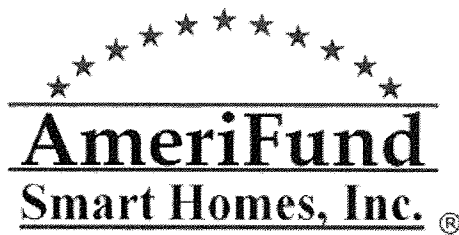
25% to be disbursed upon completion of (A) above;

25% to be disbursed upon completion of (B) above;

25% to be disbursed upon completion of (C) above;

25% to be disbursed upon completion of (D) above;

The fee to AmeriFund Smart Homes, Inc. is earned upon the completion of Step D regardless of the Lender's decision. Client will receive a statement when all work is completed stating the date the fee was earned and then Transferred from AmeriFund Smart Homes, Inc. "Trust Account" to AmeriFund Smart Homes, Inc. "Operating Account".



Except as set forth in this section, neither this Agreement nor any rights under this Agreement, in whole or in part, shall be assignable or otherwise transferable by either party without the express written consent of the other party. Any attempt by either party to assign any of its rights or delegate any of its duties under this Agreement without the prior written consent of the other party shall be null and void. Subject to the above, this Agreement shall be binding upon and take effect for the benefit of the successors and assigns of the parties to this Agreement.

No waiver, amendment or modification, including those by custom, usage of trade, or course of dealing, of any provision of this Agreement will be effective unless in writing and signed by the party against whom such waiver, amendment or modification is sought to be enforced. No waiver by any party of any default in performance by the other party under this Agreement or of any breach or series of breaches by the other party of any of the terms or conditions of this Agreement shall constitute a waiver of any subsequent default in performance under this Agreement or any subsequent breach of any terms or conditions of that Agreement. Performance of any obligation required of a party under this Agreement may be waived only by a written waiver signed by a duly authorized representative of the other party or the actual party themselves, that waiver shall be effective only with respect to the specific obligation described in that waiver.

Any specific right or remedy provided in this Agreement shall not be exclusive but shall be cumulative upon all other rights and remedies set forth in this section and allowed under applicable law.

This Agreement shall be governed by the laws of the State of California applicable to Agreements made and fully performed in California by California residents.

This Agreement may be executed in multiple counterparts, any one of which will be deemed an original, but all of which shall constitute one and the same instrument.

If either party is required to retain the services of an attorney to enforce or otherwise litigate or defend any matter or claim arising out of or in connection with this Agreement, then the prevailing party shall be entitled to recover from the other party, in addition to any other relief awarded or granted, its reasonable costs and expenses (including attorneys' fees) incurred in the proceeding.

If any provision of this Agreement is found invalid or unenforceable under judicial decree or decision, the remainder shall remain valid and enforceable according to its terms. Without limiting the previous, it is expressly understood and agreed that each and every provision of this Agreement that provides for a limitation of liability, disclaimer of warranties, or exclusion of damages is intended by the parties to be severable and independent of any other provision and to be enforced as such.

Further, it is expressly understood and agreed that if any remedy under this Agreement is determined to have failed of its essential purpose; all other limitations of liability and exclusion of damages set forth in this section shall remain in full force and effect.



MANADATORY DISCLOSURES

The advance service fees held in the trust account remain the property of the Client. Should this agreement be cancelled by either party and to the extent that any portion of the advance services fees are not expended for services specified in this agreement, Broker shall refund the unused portion of the service fee held in the trust account to the Client.

Notice: The amount or rate of fees specified in this agreement for services is not fixed by California Law. Fees are set by each broker individually and are subject to negotiation between the client (principal) and the broker.

Notice: California Civil Code Section 2945.4 prohibits any real estate licensee from claiming, demanding, charging, collecting or receiving any compensation from a person whose residence is in foreclosure until all of the promised services have been fully performed and completed. DO NOT SIGN THIS AGREEMENT IF A NOTICE OF DEFAULT HAS BEEN RECORDED AGAINST THE PROPERTY.

Initials: _____ Initials: _____

CLIENT (PRINCIPAL/PROPERTY OWNER) CERTIFIES THAT A NOTICE OF DEFAULT HAS NOT BEEN RECORDED AGAINST THE PROPERTY.

Initials: _____ Initials: _____

AmeriFund Smart Homes, Inc.

Signature: _____

Name: Russell J. Massro

Title: Broker of Record - Ca Dept of Real Estate Broker License # 01853689

Date: _____

Borrower

Co-Borrower

Signature: _____

Signature: _____

Date: _____

Date: _____



Trust Account Adjustment Notification

Date: _____

Advance Fee Amount \$	_____	Date of Advance Fee Agreement	_____	Initials: _____
Fees Not Advanced \$	_____	Date of Advance Payment	_____	Initials: _____
Fees Not Advanced \$	_____	Date of Advance Payment	_____	Initials: _____

Client: _____ (Name)
 _____ (Street Address)
 _____ (City, State & Zip Code)

Lender: _____ (Lender's Name)
 _____ (Lender's Street Address)
 _____ (Lender's City, State, & Zip Code)
 _____ (Loan Number)

Property: _____ (Property Street Address)
 _____ (Property City, State, & Zip Code)

Trust Account:

AMERIFUND SMART HOMES, INC.	(Name of Trust Account)
VINEYARD BANK	(Bank Name)
2100 FOOTHILL BLVD., SUITE B	(Street Address of Bank)
LA VERNE, CA 91750	(City, State, Zip Code)
7142439	(Bank Account Number)

Description of Services Rendered Per the Steps in Your Contract

Step A - Debit Amount \$	_____	Date	_____	Total Debits	_____	Balance	_____
Step B - Debit Amount \$	_____	Date	_____	Total Debits	_____	Balance	_____
Step C - Debit Amount \$	_____	Date	_____	Total Debits	_____	Balance	_____
Step D - Debit Amount \$	_____	Date	_____	Total Debits	_____	Balance	_____

Date Modification Package Submitted _____ **(Same as Step C)**

I attest that the accounting is a true and accurate reporting.

 Russell J. Massro, CA DRE Broker License# 01853689